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State of Idaho

Legislative Services Office

## Individual Entity Audit Report

A communication to the Joint Finance-Appropriations Committee

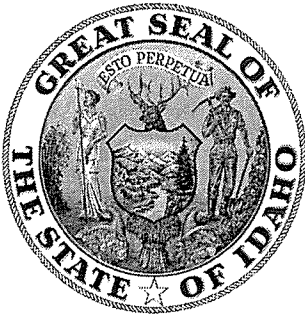
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# CENTRAL DISTRICT HEALTH DEPARTMENT (IV)

**FY 2006-2007**

**Report OP95407**  
**Date Issued: March 6, 2009**

*Serving Idaho's Citizen Legislature*



Don H. Berg, Manager  
Legislative Audits Division

Idaho Legislative Services Office  
Legislative Audits Division

**CENTRAL DISTRICT HEALTH  
DEPARTMENT (IV)**

## **SUMMARY**

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### **PURPOSE OF AUDIT REPORT**

We have audited the financial statements of the Central District Health Department (IV) for the fiscal years ended June 30, 2006 and 2007, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine whether the District's financial statements are materially accurate and reliable, and that it complied with laws and regulations affecting fiscal operations.

### **CONCLUSION**

We conclude that the District's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the District's financial statements.

### **FINDINGS AND RECOMMENDATIONS**

There is one finding and recommendation in this report.

1. Internal control weaknesses exist in the process for preparing the financial statements and note disclosures.

The complete finding is detailed on pages 27 and 28. A copy of this report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm>.

### **PRIOR FINDINGS AND RECOMMENDATIONS**

There were no findings and recommendations in the prior report.

### **AGENCY RESPONSE**

The District has reviewed the report and is in general agreement with its contents.

### **OTHER INFORMATION**

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, the Central District Health Department, and the District's Board, and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Russell Duke, and his staff.

**ASSIGNED STAFF**

Gene Sparks, CPA, CGFM, Managing Auditor

Kathleen Watkins, CPA, In Charge Auditor

Sally Fong, Staff Auditor

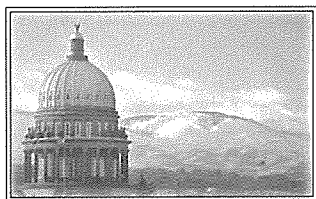
Sherie Hoid, Staff Auditor

Mark Schoenfeld, Staff Auditor

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# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

February 27, 2009

Unqualified Opinion on  
Basic Financial Statements

## Independent Auditor's Report

Russell Duke, Director  
Central District Health Department (IV)  
707 N. Armstrong Place  
Boise, ID 83704

Steve Scanlin, Chair  
District IV Board of Health  
P. O. Box 657  
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

We have audited the accompanying basic financial statements of the governmental activities, major fund, and the remaining fund information of the Central District Health Department (IV), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the remaining fund information of the District as of June 30, 2006 and 2007, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of

**Mike Nugent, Manager**  
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Budget & Policy Analysis

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Information Technology

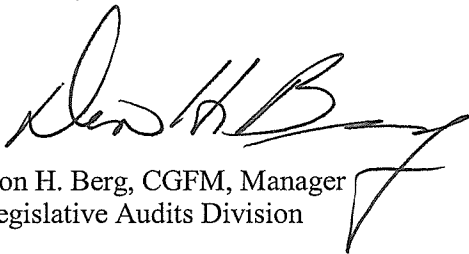
an audit performed in accordance with *Government Auditing Standards* and should be considered when assessing the results of our audit.

The District has not presented the Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information on pages 14 and 15 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by *OMB Circular A-133*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a stylized flourish extending from the end of the signature.

Don H. Berg, CGFM, Manager  
Legislative Audits Division

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2006 AND 2007

	June 30, 2006 Governmental Activities	June 30, 2007 Governmental Activities
<b>ASSETS</b>		
Cash	\$361,327	\$73,060
Investments	1,390,722	1,652,000
Grant Receivables	505,504	557,708
County Contribution Receivables	375,362	513,702
Accounts Receivable	299,695	393,211
Prepaid Expense	22,434	22,945
Capital Assets:		
Nondepreciable	284,110	284,110
Net Depreciable	3,912,367	3,917,724
Total Assets	<u>\$7,151,521</u>	<u>\$7,414,460</u>
<b>LIABILITIES</b>		
Accounts Payable	\$96,314	\$81,111
Unearned Revenue	164,090	179,957
Payroll and Benefits Payable	260,038	273,550
Compensated Absences - Due Within One Year	437,738	458,704
Total Liabilities	<u>\$958,180</u>	<u>\$993,322</u>
<b>NET ASSETS</b>		
Invested in Capital Assets Net of Related Debt	\$4,196,477	\$4,201,834
Unrestricted	1,996,864	2,219,304
Total Net Assets	<u><u>\$6,193,341</u></u>	<u><u>\$6,421,138</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

<u>FY 2006</u>		<u>PROGRAM REVENUE</u>		Net (Expenses) Revenues and Changes in Net Assets
<u>Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Board of Health	\$13,574	\$0	\$0	(\$13,574)
Administration	1,352,694	25,002	0	(1,327,692)
Community Health Services/Education	6,605,438	2,017,120	2,429,249	(2,159,069)
Environmental Health and Emergency Preparedness	2,432,224	609,239	2,432,224	609,239
Financial Support Services	575,651	9,264	0	(566,387)
Total Governmental Activities	<u>\$10,979,581</u>	<u>\$2,660,625</u>	<u>\$4,861,473</u>	<u>(\$3,457,483)</u>

General Revenues:	
State Appropriation	\$2,287,700
Interest Income	66,164
County Contributions	1,779,869
Total General Revenue	<u>\$4,133,733</u>
Change in Net Assets	\$676,250
Beginning Net Assets	5,517,089
Ending Net Assets	<u>\$6,193,339</u>

<u>FY 2007</u>		<u>PROGRAM REVENUE</u>		Net (Expenses) Revenues and Changes in Net Assets
<u>Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Board of Health	\$11,989	\$0	\$0	(\$11,989)
Administration	952,650	27,310	0	(925,340)
Community Health Services/Education	6,403,229	1,813,507	3,302,112	(1,287,610)
Environmental Health and Emergency Preparedness	2,954,780	684,922	1,289,465	(980,393)
Financial Support Services	585,583	0	0	(585,583)
Total Governmental Activities	<u>\$10,908,231</u>	<u>\$2,525,739</u>	<u>\$4,591,577</u>	<u>(\$3,790,915)</u>

General Revenues:	
State Appropriation	\$2,251,100
Interest Income	127,079
County Contributions	1,640,534
Total General Revenue	<u>\$4,018,713</u>
Change in Net Assets	\$227,798
Beginning Net Assets	6,193,339
Ending Net Assets	<u>\$6,421,137</u>

The accompanying notes are an integral part of these financial statements.



STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
BALANCE SHEET  
GOVERNMENTAL FUND  
AS OF JUNE 30, 2006 AND 2007

	June 30, 2006 Special Revenue Fund	June 30, 2007 Special Revenue Fund
<b>ASSETS</b>		
Cash	\$361,327	\$73,060
Investments	1,390,722	1,652,000
Grants Receivables	505,504	557,708
County Contribution Receivables	375,362	513,702
Accounts Receivable	299,695	393,211
Prepaid Expense	22,433	22,945
Total Assets	<u>\$2,955,043</u>	<u>\$3,212,626</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts Payable	\$96,314	\$81,111
Deferred Revenue	152,133	224,644
Unearned Revenue	164,090	179,957
Payroll and Benefits Payable	260,037	273,550
Total Liabilities	<u>\$672,574</u>	<u>\$759,262</u>
<b>Fund Balance</b>		
Reserved for:		
Encumbrances	47,900	38,487
Prepaid Items	22,434	22,945
Unreserved Special Revenue Fund	<u>2,212,135</u>	<u>2,391,932</u>
Total Fund Balance	<u>\$2,282,469</u>	<u>\$2,453,364</u>
Total Liabilities and Fund Balance	<u>\$2,955,043</u>	<u>\$3,212,626</u>

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

Total Fund Balances for Governmental Funds	\$2,282,469	\$2,453,364
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Amounts reported for governmental activities in the Statement of Net Assets are difference because:

Some of the District's Revenue is collected after year end, but is not available soon enough to pay current period expenditures and is, therefore, deferred in the funds.	152,133	224,644
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	4,196,477	4,201,834
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds. This consists of compensated absences and long term debt.	(437,738)	(458,704)
Net Assets of Governmental Activities	<u>\$6,193,341</u>	<u>\$6,421,138</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2007

	Year Ended June 30, 2006			Year Ended June 30, 2007		
	Special Revenue Fund	Non-Major Millennium Fund	Total Governmental Funds	Special Revenue Fund	Non-Major Millennium Fund	Total Governmental Funds
REVENUES						
Health and Professional Services	\$2,460,625	\$0	\$2,460,625	\$2,522,872	\$0	\$2,522,872
Interest	66,164	0	66,164	127,079	0	127,079
Federal Grants	3,908,797	0	3,908,797	3,773,180	0	3,773,180
State Grants	245,970	0	245,970	160,344	0	160,344
City/County Grants	2,033,296	0	2,033,296	1,731,419	0	1,731,419
Contributions/Donations	499,226	0	499,226	479,383	0	479,383
General Fund Support	2,480,202	71,600	2,551,802	2,162,145	107,094	2,269,239
Total Revenues	\$11,694,280	\$71,600	\$11,765,880	\$10,956,422	\$107,094	\$11,063,516
EXPENDITURES						
Current						
Board of Health	\$13,574	\$0	\$13,574	\$11,989	\$0	\$11,989
Administration/PIO/IT	1,491,790	0	1,491,790	1,434,519	0	1,434,519
Community Health Services/Education	6,251,406	71,600	6,323,006	6,009,573	107,094	6,116,667
Environmental Health/Emergency Preparedness	2,432,224	0	2,432,224	2,485,052	0	2,485,052
Financial Support Services	500,809	0	500,809	665,470	0	665,470
Capital Outlay	203,309	0	203,309	178,925	0	178,925
Total Expenditures	\$10,893,112	\$71,600	\$10,964,712	\$10,785,528	\$107,094	\$10,892,622
Excess (Deficiency) of Revenues Over Expenditures - Net Change in Fund Balance	\$801,168	\$0	\$801,168	\$170,894	\$0	\$170,894
Beginning Fund Balance	1,481,301	0	1,481,301	2,282,469	0	2,282,469
Ending Unreserved Fund Balance	\$2,282,469	\$0	\$2,282,469	\$2,453,363	\$0	\$2,453,363

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

	FY 2006	FY 2007
Net Change in Fund Balances for Total Governmental Funds	\$801,168	\$170,894
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation in FY 06 and FY 07 by the following amounts:		
Capital Outlay	203,309	178,925
Depreciation Expense	(194,182)	(172,481)
Loss on disposal	0	(1,087)
	\$9,127	\$5,357
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(110,048)	72,511
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This requires an adjustment for compensated absences.	(23,996)	(20,966)
Change in Net Assets of Governmental Activities	\$676,251	\$227,796

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The District is not a State agency. In determining how to define the District for financial reporting purposes, management has considered all potential component units in accordance with *GASB Statement 14*, as amended by *GASB Statement 39*. The legislature created seven health districts throughout the State in 1970. In 1976, the legislature expressed specific intent that the districts were not to be considered State agencies, but were to be recognized as authorized governmental entities. Although the districts are not State agencies, all districts have opted to process their financial transactions through the State accounting system.

## GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (e.g., the Statement of Net Assets and the Statement of Activities) report information on all activities of the District. These activities are financed through General Fund appropriations, county contributions, federal grants, and program revenues.

The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:

1. *Invested in Capital Assets, Net of Related Debt* are capital assets, net of accumulated depreciation and reduced by related outstanding debt.
2. *Unrestricted Net Assets* consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include fees and charges paid by recipients of goods or services offered by the program. Appropriations, contributions, interest income, and other items not meeting the definition of program revenues are reported as general revenue.

## MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under governmental fund accounting, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available and susceptible to accrual if the revenues are collected within 60 days after the year end for sales of services, interest, and federal grants or 90 days for county contributions. Expenditures are recorded when a liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

The District has one major governmental fund. The General Fund accounts for all financial resources of the District, except those required to be accounted for in the Millennium Fund.

## **ASSETS, LIABILITIES, AND NET ASSETS**

### Cash

The District's primary governmental fund cash is considered to be cash on hand and on deposit with the State Treasurer's Office.

### Investments

Investments are reported at fair value. Additional disclosure is included in Note 2.

### Receivables

The accounts receivable come from county contributions, federal grants, and client accounts.

### Prepaid Expense

The District uses the purchase method of accounting for inventories. Expenditures made to vendors during the fiscal year that will benefit beyond June 30 of that year are considered prepaid expenses.

### Capital Assets

Purchased capital assets are reported at cost. Assets donated or acquired at bargain purchase prices are reported at market value on the date of donation. Only capital assets with a value of \$5,000 or greater are capitalized. Depreciation is recorded using the straight-line method over the asset's estimated useful life as follows:

Equipment	3-30 years
Building/Improvements	10-50 years
Vehicles	5-10 years

Maintenance, repairs, and minor renewals are charged as operating expenses when incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost, and any gain or loss arising from its disposal is credited or charged to operations.

Additional disclosures related to capital assets are provided in Note 5.

### Accounts Payable

Payables in the government-wide financial statements consist primarily of short-term vendor obligations.

### Unearned Revenue

Unearned revenue is recognized when cash is received prior to being earned.

### Other Liabilities

Other liabilities consist of payroll and benefits payable.

Government-wide financial statements report long-term obligations as liabilities, with the portion payable within 12 months designated separately from the portion payable in more than 12 months. Long-term liabilities include compensated absences payable, which is vacation and compensatory time earned by employees but not paid.

### Net Assets

Net assets include investments in capital assets net of related debt. Unrestricted assets are assets that do not fall under the previous category.

### **REVENUES AND EXPENDITURES/EXPENSES**

In the government-wide statement of activities, revenues and expenses are segregated by activity and then by function. Additionally, revenues are classified as program or general revenues. Program revenues include charges to clients or applicants for services provided and certain grants and contributions. General revenues include Idaho State appropriations, county contributions, and interest.

In the governmental fund financial statements, revenues are reported by source and expenditures are reported by function. The Special Revenue Fund is used to account for all of the District's activities, except tobacco cessation, which is accounted for in the Millenium Fund.

Immaterial differences between the financial statements and notes are due to rounding.

### **NOTE 2. CASH AND INVESTMENTS**

The District participates in the State Treasurer's internal and external investment pools. The Idle Fund is an internal investment pool managed by the State Treasurer's Office on behalf of participants. Money not needed to meet immediate operating obligations is invested in accordance with Idaho code. Participation in the pool is involuntary.

The District participates in the Local Government Investment Pool (LGIP), which is an external investment pool sponsored by the State Treasurer's Office. A copy of the State's *Comprehensive Annual Financial Report (CAFR)*, including the investment pools' financial statements, is available from the Office of the State Controller, Bureau of Reporting and Review.

Idaho Code, Sections 67-1210 and 67-1210A restrict the State Treasurer to certain types of investments.

### Credit Ratings

In fiscal year 2006, the LGIP was unrated. In fiscal year 2007, it was rated AAf by Standard and Poor's rating services.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the District's investments. The District does not have a formal policy to address interest rate risk.

The following schedule represents the District's investments in the external investment pool and the pool's weighted average maturity.

<u>June 30, 2006</u>	<u>Fair Value</u>	<u>Maturity</u>
LGIP	\$1,390,721	0.4 years
<u>June 30, 2007</u>		
LGIP	\$1,652,000	0.3 years

The District does not have a separate formal investment policy.

### NOTE 3. COMPENSATED ABSENCES

The District is not part of the State, but has decided to follow State rules on compensated absences. The District employee benefits include vacation and sick leave allowances. Overtime may be earned under provisions of the Fair Labor Standards Act and State law. Overtime is commonly referred to as "compensatory time" or "comp time" since employees may take time off for the accrued overtime. For the purposes of earning and accruing overtime there are three general classes of employees:

1. Those who earn overtime at 1.5 times regular pay rates and may be paid for the overtime or take time off.
2. Those who earn overtime at the same rate as regular pay rates and may only take time off.
3. Those who are ineligible for overtime.

Upon termination, the following accrued leave balances are paid:

1. Vacation leave
2. Overtime for those eligible for payment

As of June 30, 2006 and 2007, the following compensated absences have been accrued by employees of the District. These amounts are reported on the government-wide financial statements. A liability for the amount is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement. Compensated absences are paid from the District's main operating fund.

FY 2006	
<u>Changes to Compensated Absences</u>	
Beginning Balance July 1, 2005	\$413,743
Increases	456,956
Decreases	<u>(432,961)</u>
Ending Balance June 30, 2006	<u>\$437,738</u>

The District estimates the amount due within one year is \$437,738.

FY 2007	
<u>Changes to Compensated Absences</u>	
Beginning Balance July 1, 2006	\$437,738
Increases	472,916
Decreases	<u>(451,950)</u>
Ending Balance June 30, 2007	<u>\$458,704</u>

The District estimates the amount due within one year is \$458,704.

### NOTE 4. PENSION PLANS

The Public Employee Retirement System of Idaho (PERSI) was created by the Idaho State Legislature and administers the PERSI Base Plan and the PERSI Choice Plan. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible State and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. PERSI's annual financial reports are available from PERSI.

The Base Plan is a cost-sharing, multiple-employer defined benefit retirement plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability or death and to survivors of eligible members or beneficiaries.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

The contribution requirements of the District and its employees are established and may be amended by the PERSI Retirement Board. For the period from July 1, 2005 to June 30, 2007, the required contribution rate as a percent of covered payroll was 6.23% for general members. The employer rate as a percentage of covered payroll was 10.39% for general members. The District contributions required and paid were \$506,547, \$550,239, and \$537,201 for the three years ended June 30, 2005, 2006, and 2007, respectively.

The PERSI Choice Plan is a defined contribution retirement plan. The defined contribution plan includes the 401(k) and the 414(k). Statutes governing the PERSI Choice Plan are found in Idaho Code, Title 59, Chapter 13. The 414(k) plan was established for gain-sharing allocations from the PERSI Base Plan. The gain-sharing amount (if any) is based on funding levels in the PERSI Base Plan.

The 401(k) plan is open to all active PERSI Base Plan members. Eligibility for the 414(k) gain sharing requires twelve months of active PERSI membership as defined in Idaho statutes and PERSI rules. The assets of the 401(k) and the 414(k) are commingled for investment and record keeping purposes. The other significant accounting policies are the same as the PERSI Base Plan.

Participants in the 401(k) plan can make tax deferred contributions up to 100 percent of their gross salary less deductions and subject to the IRS annual contribution limit. Participants direct their own investment mix without restriction and may elect to change their deferral every pay period. For the audit period no voluntary employer matching contributions have been made.

## NOTE 5. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2006 and 2007 is as follows:

	Balances at July 1, 2005, as adjusted	Increases	Decreases	Balances at June 30, 2006
<b>Governmental Activities:</b>				
<b>Capital Assets not being Depreciated:</b>				
Land	\$284,110	\$0	\$0	\$284,110
<b>Total Capital Assets not being Depreciated:</b>	<u>\$284,110</u>	<u>\$0</u>	<u>\$0</u>	<u>\$284,110</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	4,270,134	124,421	0	4,394,555
Improvements Other Than Buildings	210,062	0	0	210,062
Equipment	543,968	5,029	(21,401)	527,596
Vehicles	381,479	73,859	0	455,338
<b>Total Capital Assets Being Depreciated</b>	<u>\$5,405,643</u>	<u>\$203,309</u>	<u>(\$21,401)</u>	<u>\$5,587,551</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(\$843,415)	(\$114,828)	\$0	(\$958,243)
Improvements Other Than Buildings	(54,809)	(19,013)	0	(73,822)
Equipment	(345,171)	(48,361)	21,401	(372,131)
Vehicles	(259,008)	(11,980)	0	(270,988)
<b>Total Accumulated Depreciation</b>	<u>(\$1,502,403)</u>	<u>(\$194,182)</u>	<u>\$21,401</u>	<u>(\$1,675,184)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>\$3,903,240</u>	<u>\$9,127</u>	<u>\$0</u>	<u>\$3,912,367</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$4,187,350</u>	<u>\$9,127</u>	<u>\$0</u>	<u>\$4,196,477</u>

	Balances at July 1, 2006	Increases	Decreases	Balances at June 30, 2007
<b>Governmental Activities:</b>				
<b>Capital Assets not being Depreciated:</b>				
Land	\$284,110	\$0	\$0	\$284,110
<b>Total Capital Assets not being Depreciated:</b>	<u>\$284,110</u>	<u>\$0</u>	<u>\$0</u>	<u>\$284,110</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	\$4,394,555	\$0	\$0	\$4,394,555
Improvements Other Than Buildings	210,062	0	0	210,062
Equipment	527,596	28,600	(14,008)	542,188
Vehicles	455,338	150,325	(10,869)	594,794
<b>Total Capital Assets Being Depreciated</b>	<u>\$5,587,551</u>	<u>\$178,925</u>	<u>(\$24,877)</u>	<u>\$5,741,599</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(\$958,243)	(\$102,678)	\$0	(\$1,060,921)
Improvements Other Than Buildings	(73,822)	(7,218)	0	(81,040)
Equipment	(372,131)	(43,926)	14,008	(402,049)
Vehicles	(270,988)	(18,659)	9,782	(279,865)
<b>Total Accumulated Depreciation</b>	<u>(\$1,675,184)</u>	<u>(\$172,481)</u>	<u>\$23,790</u>	<u>(\$1,823,875)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>\$3,912,367</u>	<u>\$6,444</u>	<u>(\$1,087)</u>	<u>\$3,917,724</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$4,196,477</u>	<u>\$6,444</u>	<u>(\$1,087)</u>	<u>\$4,201,834</u>



Depreciation is charged to general support. In fiscal year 2006, depreciation was \$194,182, and in fiscal year 2007 depreciation was \$172,481.

#### **NOTE 6. OPERATING LEASES**

##### Operating Leases

Non-cancelable operating leases are leases for which the District will not gain title to the asset. Lease payments are recorded as expenditures of the related funds when paid or incurred. The District had no operating lease expenditures for fiscal years 2006 and 2007.

The District had no future lease commitments for operating leases as of June 30, 2007.

##### Long Term Debt/Capital Lease

The District had no long term debt for capital leases outstanding at June 30, 2006 and 2007.

## REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State	\$2,250,900	\$2,287,700	\$2,287,700	\$0
County	1,727,062	1,727,062	1,779,869	52,807
Contracts	3,802,760	4,015,391	4,037,291	21,900
Fees	2,030,100	2,332,659	2,624,398	291,739
Interest	30,000	30,000	66,164	36,164
Other	446,700	490,022	498,890	8,868
Total Revenues	<u>\$10,287,522</u>	<u>\$10,882,834</u>	<u>\$11,294,312</u>	<u>\$411,478</u>

Reconciliation to GAAP Basis Revenues:

Increase in Grants Receivables	\$91,072
Increase in Accounts Receivable	330,841
Decrease in Deferred Revenue	(21,945)
Total GAAP Revenues	<u>\$11,694,280</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Personnel Costs	\$7,688,300	\$7,768,423	\$7,639,874	\$128,549
Operating	2,812,222	3,179,229	3,013,673	165,556
Capital Outlay	29,000	271,876	231,350	40,526
Total Expenditures	<u>\$10,529,522</u>	<u>\$11,219,528</u>	<u>\$10,884,897</u>	<u>\$334,631</u>

Reconciliation to GAAP Basis Expenditures:

Decrease in Accounts Payable	(\$7,063)
Decrease in Payroll Payable	(203,913)
Adjustment to Inventory	223,617
Decrease in Prepaid Expense	(4,426)
Total GAAP Expenditures	<u>\$10,893,112</u>

The accompanying notes are an integral part of these financial schedules.

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State	\$2,254,020	\$2,251,100	\$2,251,100	\$0
County	1,778,880	1,778,880	1,640,534	(138,346)
Contracts	3,954,900	4,080,625	3,853,483	(227,142)
Fees	2,337,500	2,396,280	2,409,161	12,881
Interest	30,000	100,000	127,079	27,079
Other	449,700	464,840	479,383	14,543
Total Revenues	<u>\$10,805,000</u>	<u>\$11,071,725</u>	<u>\$10,760,740</u>	<u>(\$310,985)</u>

Reconciliation to GAAP Basis Revenues:

Increase in Grants Receivables	\$52,204
Increase in Accounts Receivable	231,856
Decrease in Deferred Revenue	(88,377)
Total GAAP Revenues	<u>\$10,956,423</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Personnel Costs	\$7,758,200	\$7,520,900	\$7,369,281	\$151,619
Operating	3,020,800	3,454,335	3,230,111	224,224
Capital Outlay	26,000	191,490	188,338	3,152
Total Expenditures	<u>\$10,805,000</u>	<u>\$11,166,725</u>	<u>\$10,787,730</u>	<u>\$378,995</u>

Reconciliation to GAAP Basis Expenditures:

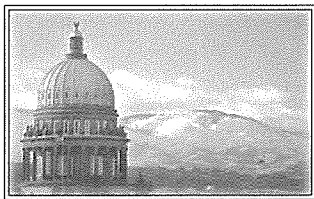
Decrease in Accounts Payable	(\$15,203)
Increase in Payroll Payable	13,512
Decrease in Prepaid Expense	(511)
Total GAAP Expenditures	<u>\$10,785,528</u>

The accompanying notes are an integral part of these financial schedules.

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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The chairmen of the boards of county commissioners located within the District serve as the Budget Committee for the District. The District Board of Health submits the budget to the Budget Committee. The budget is prepared on a cash basis. The budget for the District is approved by a majority of the Budget Committee, and any adjustments to the budget are approved by the District Board of Health.



# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

February 27, 2009

Independent Auditor's Report on Internal Control over  
Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Russell Duke, Director  
Central District Health Department (IV)  
707 N. Armstrong Place  
Boise, ID 83704

Steve Scanlin, Chair  
District IV Board of Health  
P. O. Box 657  
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

We have audited the financial statements of the governmental activities, major fund, and the remaining fund information of the Central District Health Department (IV) as of and for the years ended June 30, 2006 and 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process,

**Mike Nugent, Manager**  
Research & Legislation

**Cathy Holland-Smith, Manager**  
Budget & Policy Analysis

**Don H. Berg, Manager**  
Legislative Audits

**Glenn Harris, Manager**  
Information Technology

Statehouse, P.O. Box 83720  
Boise, Idaho 83720-0054

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of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in Finding 2007-01 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described in Finding 2007-01 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

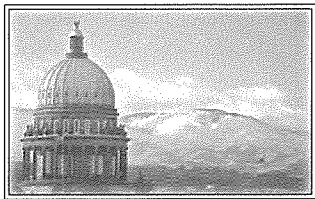
We noted certain other matters that we have reported to the management of the District in a separate letter.

This report is intended solely for the information and use of the State of Idaho, the Central District Health Department (IV), and the District's Board, and is not intended to be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a stylized flourish at the end.

Don H. Berg, CGFM, Manager  
Legislative Audits Division



# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

February 27, 2009

Independent Auditor's Report on Compliance With  
Requirements Applicable to Each Major Program  
and on Internal Control Over Compliance in  
Accordance With OMB Circular A-133

Russell Duke, Director  
Central District Health Department (IV)  
707 N. Armstrong Place  
Boise, ID 83704

Steve Scanlin, Chair  
District IV Board of Health  
P. O. Box 657  
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

## Compliance

We have audited the compliance of the Central District Health Department (IV) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements, and performing such other procedures that we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

**Mike Nugent, Manager**  
Research & Legislation

**Cathy Holland-Smith, Manager**  
Budget & Policy Analysis

**Don H. Berg, Manager**  
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### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct, material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

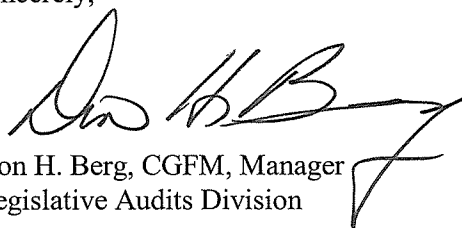
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as described above. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of Idaho, the Central District Health Department (IV), the District's Board, and federal awarding agencies, and is not intended to be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a stylized flourish extending from the end of the signature.

Don H. Berg, CGFM, Manager  
Legislative Audits Division

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

Federal Grantor/Program Title	Federal CFDA #	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 06	Federal Expenditures FY 07	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE							
Pass through State Department of Health and Welfare							
WIC Administration	10.557	HC475700	10/1/04 - 9/30/06	1,680,479	\$968,271	\$15,229	\$983,500
WIC Administration	10.557	HC557600	10/1/06 - 9/30/07	901,508	0	882,843	882,843
Total CFDA 10.557					\$968,271	\$898,072	\$1,866,343
Pass through Sage Community Resources							
Cash in Lieu of Commodities	10.570	AOA-3-1	10/1/04 - 9/30/05	VARIABLE	\$51,116	\$0	\$51,116
NSIP	10.570	FY 06/07	10/1/05 - 9/30/06	VARIABLE	88,436	37,329	125,765
NSIP	10.570	FY 07/08	10/1/06 - 9/30/07	VARIABLE	0	89,257	89,257
Total CFDA 10.570					\$139,552	\$126,586	\$266,138
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$1,107,823	\$1,024,658	\$2,132,481
U.S. DEPARTMENT OF JUSTICE							
Pass through Boise County							
New Arrivals	16.540	FY 05	10/1/04 - 9/30/05	3,000	\$168	\$0	\$168
Total CFDA 16.540					\$168	\$0	\$168
TOTAL U.S. DEPARTMENT OF JUSTICE					\$168	\$0	\$168
U.S. DEPARTMENT OF TRANSPORTATION							
Pass through State Department of Transportation							
Seat Belt Survey	20.600	MOA 05	4/1/05 - 7/18/05	1,900	\$792	\$0	\$792
Seat Belt Survey	20.600	MOA 06	6/5/06 - 7/9/06	1,500	56	769	825
Seat Belt Survey	20.600	MOA 07	6/4/07 - 7/8/07	1,114	0	1,114	1,114
Total CFDA 20.600					\$848	\$1,883	\$2,731
Child Safety Restraint	20.602	VO59390	1/1/05 - 9/30/05	5,000	\$2,554	\$0	\$2,554
Child Safety Restraint	20.602	SOP0502	1/1/05 - 9/30/05	11,600	8,953	0	8,953
Total CFDA 20.602					\$11,507	\$0	\$11,507
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					\$12,355	\$1,883	\$14,238
U.S. ENVIRONMENTAL PROTECTION AGENCY							
Pass through State Department of Health and Welfare							
Radon Education	66.032	HC504000	7/1/05 - 6/30/06	3,000	\$3,000	\$0	\$3,000
Total CFDA 66.032					\$3,000	\$0	\$3,000
Pass through National Association of Counties							
IAQ Valley County Asthma	66.034	2005 IAQ	7/1/05 - 10/31/05	5,000	\$1,143	\$0	\$1,143
Total CFDA 66.034					\$1,143	\$0	\$1,143
Pass through State Department of Environmental Quality							
Public Drinking Water	66.432	S161	7/1/05 - 6/30/07	118,408	\$59,404	\$59,404	\$118,808
Total CFDA 66.432					\$59,404	\$59,404	\$118,808
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY					\$63,547	\$59,404	\$122,951

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

Federal Grantor/Program Title	Federal CFDA #	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 06	Federal Expenditures FY 07	Total Federal Expenditures
U.S. CONSUMER PRODUCT SAFETY COMMISSION							
Pass Through Consumer Product Safety Commission							
Recall Checks	87.999	W054205	1/20/05 - 11/30/05	\$1,300	\$390	\$0	\$390
Recall Checks	87.999	W060009	2/14/06 - 9/30/06	1,300	845	455	1,300
Recall Checks	87.999	W070018	3/13/07 - 8/31/07	1,217	0	1,217	1,217
Total CFDA 87.999					\$1,235	\$1,672	\$2,907
TOTAL U.S. COMSUMER PRODUCT SAFETY COMMISSION					\$1,235	\$1,672	\$2,907
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department of Health and Welfare							
Bioterrorism - HRSA	93.003	HC412400	8/31/03 - 8/31/04	536,397	\$23,183	\$0	\$23,183
Pass through NACCHO							
MRC	93.003	MRC07062	4/16/07 - 7/31/07	10,000	0	1,422	1,422
Total CFDA 93.003					\$23,183	\$1,422	\$24,605
Pass through Sage Community Resources							
Congregate Meals	93.045	D-2-05	1/1/05 - 3/31/06	164,634	\$95,187	\$0	\$95,187
Congregate Meals	93.045	D-1-06	4/1/06 - 12/31/06	115,911	40,818	73,486	114,304
Congregate Meals	93.045	D-1-07	1/1/07 - 12/31/07	variable	0	37,478	37,478
Home Delivery Meals	93.045	D-2-05	1/1/05 - 3/31/06	228,453	90,347	0	90,347
Home Delivery Meals	93.045	D-1-06	4/1/06 - 12/31/06	173,339	76,877	96,462	173,339
Home Delivery Meals	93.045	D-1-07	1/1/07 - 12/31/07	variable	0	82,770	82,770
Total CFDA 93.045					\$303,229	\$290,196	\$593,425
Pass through State Department of Health and Welfare							
Oral Health Collaboration	93.110	HC478400	10/1/04 - 9/30/05	12,500	\$10,262	\$0	\$10,262
Total CFDA 93.110					\$10,262	\$0	\$10,262
Pass through State Department of Health and Welfare							
TB/Directly Observed Therapy	93.116	HC494200	1/1/05 - 12/31/05	10,300	\$1,124	\$0	\$1,124
TB/Directly Observed Therapy	93.116	HC535200	1/1/06 - 12/31/06	27,700	11,160	16,540	27,700
TB/Directly Observed Therapy	93.116	HC567600	1/1/07 - 12/31/07	12,200	0	11,100	11,100
Total CFDA 93.116					\$12,284	\$27,640	\$39,924
Family Planning (X)	93.217	HC409500	9/1/03 - 6/30/06	568,205	\$199,988	\$0	\$199,988
Family Planning (X)	93.217	HC561900	7/1/06 - 6/30/07	181,973	0	181,973	181,973
Total CFDA 93.217					\$199,988	\$181,973	\$381,961
Adolescent Pregnancy Prevention	93.235	HC496600	3/1/05 - 9/30/05	20,000	\$7,267	\$0	\$7,267
Adolescent Pregnancy Prevention	93.235	HC523600	10/1/05 - 8/31/06	35,500	31,600	3,900	35,500
Adolescent Pregnancy Prevention	93.235	HC551800	9/1/06 - 6/8/07	28,388	0	28,388	28,388
Total CFDA 93.235					\$38,867	\$32,288	\$71,155
Pass through Ada County HCAP							
HCAP Dental	93.252	G92CS03777	3/15/06 - 8/31/06	25,000	\$10,979	\$14,021	\$25,000
Total CFDA 93.252					\$10,979	\$14,021	\$25,000

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

Federal Grantor/Program Title	Federal CFDA #	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 06	Federal Expenditures FY 07	Total Federal Expenditures
Pass through State Department of Health and Welfare							
Immunization	93.268	HC493300	1/1/05 - 12/31/05	108,954	\$17,000	\$0	\$17,000
Immunization	93.268	HC532700	1/1/06 - 12/31/06	90,361	90,361	0	90,361
Immunization	93.268	HC566200	1/1/07 - 12/31/07	98,376	0	98,376	98,376
Total CFDA 93.268					\$107,361	\$98,376	\$205,737
Asthma Forum	93.283	HC420300	9/1/04 - 8/31/05	14,500	\$1,850	\$0	\$1,850
Asthma Forum	93.283	HC508200	9/1/05 - 8/31/06	17,920	16,039	1,881	17,920
Asthma Forum	93.283	HC555400	9/1/06 - 8/31/07	14,000	0	13,939	13,939
Tobacco Use Prevention	93.283	HC504600	7/1/05 - 6/30/06	43,715	43,715	0	43,715
Tobacco Use Prevention	93.283	HC543400	7/1/06 - 6/30/08	87,430	0	43,715	43,715
Comprehensive Cancer Control	93.283	HC558900	10/30/06 - 6/30/07	12,000	0	12,000	12,000
West Nile	93.283	HC501800	6/1/05 - 9/30/05	1,500	882	0	882
Bioterrorism	93.283	HC469900	8/31/04 - 8/30/05	451,502	67,319	0	67,319
Bioterrorism	93.283	HC519700	8/31/05 - 8/30/06	390,995	363,982	27,013	390,995
Bioterrorism	93.283	HC556800	8/31/06 - 8/30/07	465,719	0	285,905	285,905
Bioterrorism - Epi	93.283	HC471700	8/31/04 - 8/30/05	92,857	10,817	0	10,817
Bioterrorism - Epi	93.283	HC522800	8/31/05 - 8/30/06	158,409	151,773	6,636	158,409
Bioterrorism - Epi	93.283	HC561100	8/31/06 - 8/30/07	163,085	0	118,071	118,071
Bioterrorism - Pandemic Flu	93.283	HC539900	5/30/06 - 8/30/07	175,078	0	72,884	72,884
Women's Health Check	93.283	MOA 5/04	7/1/04 - 6/30/05 VARIABLE		6,070	0	6,070
Total CFDA 93.283					\$662,447	\$582,044	\$1,244,491
HIV Prevention	93.340	HC490900	1/1/05 - 12/31/07	103,648	\$31,207	\$39,581	\$70,788
Total CFDA 93.340					\$31,207	\$39,581	\$70,788
Immunization Registry	93.558	HC500300	7/1/05 - 6/30/07	195,872	\$97,936	\$97,936	\$195,872
Generation of the Child - Dental	93.558	KC198100	9/1/04 - 8/31/05	4,999	186	0	186
Generation of the Child - Dental	93.558	CCC529	9/1/05 - 8/31/06	4,999	4,999	0	4,999
Kids Korner	93.558	FY 06	7/1/05 - 6/30/06	2,500	2,500	0	2,500
Total CFDA 93.558					\$105,621	\$97,936	\$203,557
Pass through Idaho North Central Health Department							
Refugee	93.566	REF 2005	10/1/04 - 9/30/05	VARIABLE	\$10,837	\$0	\$10,837
Refugee	93.566	REF 2006	10/1/05 - 9/30/06	VARIABLE	60,294	13,530	73,824
Refugee RMA	93.566	REF 2007	10/1/06 - 9/30/07	VARIABLE	0	59,504	59,504
Total CFDA 93.566					\$71,131	\$73,034	\$144,165
Pass through State Department of Health and Welfare							
Child Care	93.575	WC038700	7/1/02 - 6/30/06	632,594	\$171,626	\$0	\$171,626
Child Care	93.575	WC056100	7/1/06 - 6/30/07	195,000	0	169,100	169,100
Total CFDA 93.575					\$171,626	\$169,100	\$340,726
Pass through Idaho North Central Health Department							
Refugee	93.576	REF 2005	10/1/04 - 9/30/05	VARIABLE	\$3,959	\$0	\$3,959
Refugee	93.576	REF 2006	10/1/05 - 9/30/06	VARIABLE	18,192	5,997	24,189
Refugee ORR	93.576	REF 2007	10/1/06 - 9/30/07	15,000	0	15,000	15,000
Total CFDA 93.576					\$22,151	\$20,997	\$43,148

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

Federal Grantor/Program Title	Federal CFDA #	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 06	Federal Expenditures FY 07	Total Federal Expenditures
Bioterrorism - HRSA	93.889	HC470500	9/1/04 - 8/31/05	535,896	\$399,283	\$66,090	\$465,373
Bioterrorism - HRSA	93.889	HC520300	9/1/05 - 8/31/06	535,896	91,303	237,550	328,853
Bioterrorism - HRSA	93.889	HC556200	9/1/06 - 8/31/07	81,627	0	72,567	72,567
Total CFDA 93.889					\$490,586	\$376,207	\$866,793
HIV Surveillance	93.944	HC492600	1/1/05 - 12/31/05	3,400	\$2,219	\$0	\$2,219
HIV Surveillance	93.944	HC534500	1/1/06 - 12/31/06	3,400	3,400	0	3,400
HIV Surveillance	93.944	HC566900	1/1/07 - 12/31/07	3,500	0	2,306	2,306
Total CFDA 93.944					\$5,619	\$2,306	\$7,925
STD Prevention	93.977	HC490900	1/1/05 - 12/31/07	182,314	\$56,080	\$68,866	\$124,946
Total CFDA 93.977					\$56,080	\$68,866	\$124,946
Diabetes Education	93.988	HC497400	4/1/05 - 3/29/06	16,500	\$10,515	\$0	\$10,515
Diabetes Education	93.988	HC536200	4/1/06 - 3/29/07	17,000	7,085	9,915	17,000
Diabetes Education	93.988	HC569900	4/1/07 - 3/29/08	17,000	0	5,571	5,571
Total CFDA 93.988					\$17,600	\$15,486	\$33,086
Injury Prevention	93.991	HC487700	10/1/04 - 9/30/05	41,602	\$9,618	\$0	\$9,618
Injury Prevention	93.991	HC522300	10/1/05 - 9/30/06	42,688	34,245	8,443	42,688
Injury Prevention	93.991	HC563400	10/1/06 - 9/30/07	48,000	0	31,636	31,636
Total CFDA 93.991					\$43,863	\$40,079	\$83,942
Family Planning (V)	93.994	HC410300	10/1/03 - 9/30/07	336,000	\$84,000	\$84,000	\$168,000
Oral Health	93.994	HC526000	10/1/05 - 9/30/06	30,577	30,577	0	30,577
Oral Health	93.994	HC560500	10/1/06 - 9/30/07	35,440	0	33,794	33,794
Communicable Disease (MCH)	93.994	HC525200	10/1/05 - 9/30/06	45,286	45,286	0	45,286
Communicable Disease (MCH)	93.994	HC562800	10/1/06 - 9/30/07	45,420	0	33,641	33,641
Body Mass Index Training	93.994	HC490100	1/1/05 - 12/31/05	13,750	5,991	0	5,991
Total CFDA 93.994					\$165,854	\$151,435	\$317,289
Pass Through State Department of Health and Welfare							
FDA Inspections	93.999	HC406800	7/1/03 - 6/30/06	20,191	\$6,709	\$0	\$6,709
Total CFDA 93.999					\$6,709	\$0	\$6,709
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$2,556,647	\$2,282,987	\$4,839,634
U.S. DEPARTMENT OF HOMELAND SECURITY							
West Nile Virus BHS Grant	97.042	2006-EM-E6-00200	5/1/07 - 9/30/07	10,000	\$0	\$5,475	\$5,475
Total CFDA 97.042					\$0	\$5,475	\$5,475
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					\$0	\$5,475	\$5,475
TOTAL CASH EXPENDITURES OF FEDERAL AWARDS					\$3,741,775	\$3,376,079	\$7,117,854

STATE OF IDAHO  
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

Federal Grantor/Program Title	Federal CFDA #	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 06	Federal Expenditures FY 07	Total Federal Expenditures
<u>NON-CASH EXPENDITURES OF FEDERAL AWARDS</u>							
WIC Food Vouchers	10.557		7/1/05 - 6/30/06		\$3,314,608	\$0	\$3,314,608
WIC Food Vouchers	10.557		7/1/06 - 6/30/07		0	3,604,382	3,604,382
Value of Serum	93.268		7/1/05 - 6/30/06		420,994	0	420,994
Value of Serum	93.268		7/1/06 - 6/30/07		0	584,225	584,225
Contraceptives	93.217		7/1/05 - 6/30/06		128,816	0	128,816
Contraceptives	93.217		7/1/06 - 6/30/07		0	129,539	129,539
TOTAL NON CASH EXPENDITURES OF FEDERAL AWARDS					<u>\$3,864,418</u>	<u>\$4,318,146</u>	<u>\$8,182,564</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$7,606,193</u>	<u>\$7,694,225</u>	<u>\$15,300,418</u>

# NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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## **NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The CFDA refers to the *Catalog of Federal Domestic Assistance*, which is a government-wide list of individual federal programs. Federal award programs for which we could not determine a number are identified with the first two digits that identify the federal grantor department, followed by ".999."

## **NOTE 2. WIC FOOD VOUCHERS**

The District determines eligibility for the Women, Infants and Children (WIC) program. Within the WIC program, the District distributes food checks to clients and controls unissued food checks. The Idaho Department of Health and Welfare issues and redeems food checks, controls the food checks issued, and reviews program compliance. The value of the food checks redeemed through the Idaho Department of Health and Welfare during fiscal years 2006 and 2007 was \$3,314,608 and \$3,604,382, respectively.

## **NOTE 3. VALUE OF VACCINE SERUM**

The District provides vaccines free of charge to children 18 years of age or younger. The District determines whether the vaccine recipient is eligible to receive the vaccine under the Federal Immunization Grant. The vaccine serums are ordered by the Idaho Department of Health and Welfare, and delivered to the District as needed. The vaccine serum value supplied by the State Health and Welfare Department was \$420,994 in fiscal year 2006 and \$584,225 in fiscal year 2007.

## **NOTE 4. VALUE OF CONTRACEPTIVES**

The District provides contraceptives on a sliding fee scale to eligible clients of the federally funded Reproductive Health Clinic. The Idaho Department of Health and Welfare purchases the contraceptives and supplies them to the District as needed. The value of the contraceptives was \$128,816 in fiscal year 2006 and \$129,539 in fiscal year 2007.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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## SECTION I. SUMMARY OF AUDITOR'S RESULTS

### Basic Financial Statements

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. The audit of the basic financial statements disclosed a significant deficiency that was considered a material weakness.
3. The audit did not disclose any instances of noncompliance considered material to the basic financial statements.

### Federal Awards

4. The audit disclosed no significant deficiencies or weaknesses in internal control over major programs.
5. The independent auditor's report on compliance for major programs expressed an unqualified opinion for all major programs.
6. The audit did not disclose any findings that must be reported in accordance with criteria in Section 510a of *OMB Circular A-133*.
7. Major programs are listed below:

<u>Program Title</u>	<u>CFDA Number</u>
WIC	10.557
Family Planning Title X	93.217
Immunization Grants	93.268
Public Health Preparedness	93.283
Health Resources Services Administration	93.889

8. The dollar threshold used to distinguish between Type A and Type B programs was \$459,013.
9. Central District Health Department (IV) did qualify as a low-risk auditee as defined by *OMB Circular A-133*.

### **FINDING 2007-01**

Internal control weaknesses exist in the process for preparing the financial statements and note disclosures.

Internal controls are essential to ensure that financial statements and note disclosures are accurate and complete. We noted several errors and omissions in the financial statements as a result of internal control weaknesses. We are required by generally accepted auditing standards to disclose the weaknesses in the report. The following are the examples of the conditions we noted.

1. The value of contraceptives provided by the State to the District's Family Planning Program was omitted from the Statement of Expenditures of Federal Awards (SEFA) as non-cash assistance. The value of this award was \$128,816 for fiscal year 2006 and \$129,539 for fiscal year 2007.
2. County contributions receivable were omitted from the financial statements, understating receivables by \$513,701 at June 30, 2007 and \$375,362 at June 30, 2006.



Adjustments were made to the financial statements to correct the conditions listed above.

The overall internal control structure of the District is adequate. These conditions represent instances where controls should be reviewed and strengthened.

#### **RECOMMENDATION**

**We recommend that the District review the internal controls over preparation of the financial statements and notes, and strengthen the process as appropriate. The review should include the process for ensuring the completeness and accuracy of the financial statements and note disclosures.**

#### **AGENCY'S RESPONSE AND CORRECTIVE ACTION PLAN**

The District will from this point forward record a receivable at June 30 each year for the remaining balance of the county contributions. The omission of the contraceptives on the SEFA was an oversight. We will have additional review of our financial statements in the future.

#### **SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

# AGENCY RESPONSE

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*"To improve the health of our communities by identifying sustainable solutions to community health issues, developing partnerships for implementation of strategies, and demonstrating our success through measurement of outcomes."*

February 19, 2009

Don Berg, Manager  
Legislative Audits Division  
**STATEHOUSE MAIL**

Dear Mr. Berg:

As you know, we were disappointed to receive a finding, our first in a number of years. We will from this point forward record a receivable at June 30 each year for the remaining balance of the county contributions. The omission of the contraceptives on the SEFA was an oversight. We will have additional review of our financial statements in the future.

Thank you and your team for the work on this audit. We appreciate the usefulness of this process.

Sincerely,



Russell A. Duke

Director

*Serving Valley, Elmore, Boise, and Ada Counties*

Ada / Boise County Office  
707 N. Armstrong Pl.  
Boise, ID 83704  
Enviro. Health: 327-7499  
Reproductive Health: 327-7400  
Immunizations: 327-7450  
Senior Nutrition: 327-7460  
WIC: 327-7488  
FAX: 327-8500

Elmore County Office  
520 E. 8th St. North  
Mountain Home, ID 83647  
Enviro. Health: 587-9225  
Family Health: 587-4407  
WIC: 587-4409  
FAX: 587-3521

Valley County Office  
703 N. 1st St.  
McCall, ID 83638  
Ph. 634-7194  
FAX: 634-2174

# APPENDIX

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## HISTORY

The following is a chronological history of the basic health care services that the State has provided to the public.

- 1907 – The State Board of Health and counties that had local boards of health were statutorily authorized joint responsibility for public health.
- 1947 – A public health district law was enacted that permitted two or more counties to establish a public health district. Participation in the forming of the health districts was voluntary.
- 1970 – The legislature established a law that created seven mandatory public health districts. In Central District Health (IV), the counties designated were Ada, Boise, Elmore, and Valley.
- 1976 – Legislative intent was expressed that the health districts are not State agencies, and that they be recognized as authorized governmental entities.
- 1986 – Idaho Code was amended to allow district health departments to promulgate rules and regulations without the State Board of Health's approval.
- 1993 – The legislature clarified the need for district health departments to use the Idaho Administrative Procedures Act for fees and rules.

## PURPOSE

The purpose of the District is to provide and support public health education and administration, family and child health, environmental health, and community health surveillance; to preserve and protect public health; to prevent disease, disability, and premature death; to promote healthy lifestyles; and to protect and promote the health and quality of our environment.

## STATUTORY AUTHORITY

The statutory authority for the District is found in Idaho Code, Title 39, Chapter 4.

## ORGANIZATION

The District is supervised by a seven-member board appointed by the county commissioners of the counties served. Board members serve staggered five-year terms, and are reimbursed \$75 per working day plus all necessary travel expenses. The Board appoints a director to administer and manage day-to-day activities of the District. Three physicians provide medical consulting services to the District.

The District is organized into five major sections:

1. Administration – Provides day-to-day managerial support (budget, accounting, human resources, facilities, and communication services) for the District.
2. Epidemiology, Surveillance and Emergency Preparedness – Conducts communicable disease investigations, and provides research and data analysis, assessment, monitoring, and reporting on community health. This section also provides leadership and coordination regarding bioterrorism events, or other public health threats and emergencies.
3. Family Health Services – Provides services such as reproductive health, immunization, sexually transmitted infection (STI) treatment, immunization, WIC (Women, Infants, and Children's nutrition program), and home-delivery/dining center meals to seniors.
4. Community Health Promotion and Education – Provides general nutrition, safety/injury prevention, and educational services, including cholesterol screening, diabetes awareness, tobacco use prevention, dental health promotion, and physical activity promotion.

5. Environmental Health – Provides control over sewer disposal, water supplies, food protection, and health and safety in child care centers.

The District's central office is in Boise, with two satellite offices in McCall and Mountain Home. An organizational chart is included.

#### **STAFFING**

At the end of fiscal year 2007, the District had 204 employees. Approximately one-half of these employees were either temporary or part-time.

#### **FUNDING**

The financing for the District comes from State General Fund appropriations; county contributions; Tobacco Millennium Fund appropriations; federal, State, and private contracts; and fees and donations. The amount included in the District's General Fund appropriation request is determined by Idaho Code, Section 39-425. The Idaho Legislature sets the District's annual General Fund appropriation, which can be more or less than the amount requested.

ORGANIZATION OF  
CENTRAL DISTRICT  
HEALTH DEPARTMENT

CENTRAL DISTRICT HEALTH DEPARTMENT - BOARD OF HEALTH

DISTRICT DIRECTOR\* - Russell A. Duke

"To improve the health of our communities by identifying sustainable solutions to community health issues, developing partnerships for implementation of strategies, and demonstrating our success through measurement of outcomes."

OFFICE OF ADMINISTRATION

Donna Mahan

Provide support to Director and Board of Health and oversight of public records.

OFFICE OF COMMUNICATIONS

Dave Fotsch

Provide all internal and external communication.

OFFICE OF FACILITIES

Guadalupe Sanchez

Provide oversight of building, maintenance, repair and remodeling.

OFFICE OF FINANCIAL SUPPORT

Meghan Muguira

Provide fiscal accountability for the organization.

OFFICE OF HUMAN RESOURCES

Janet Peck

Provide human resource oversight for the organization.

OFFICE OF INFORMATION SYSTEMS AND  
TELECOMMUNICATION

Margaret Ross

Provide information and communication systems for the organization.

DEPUTY DIRECTOR\* - Cindy Trail

OFFICE OF  
COMMUNICABLE DISEASE CONTROL  
AND PUBLIC HEALTH PREPAREDNESS

Nikki Sakata

Provide analysis, monitoring and reporting of the health of the community to limit the spread of communicable diseases. Coordinate activities to prepare for, and respond to, health threats and emergencies.

OFFICE OF  
HEALTH SERVICES FOR SENIORS

Angela Spain

Provide health education and meals to individuals and families living in our communities.

OFFICE OF  
IMMUNIZATIONS, CHILDRENS SERVICES  
AND  
INTERNATIONAL HEALTH

Teresa Phillips

Provide clinical and educational preventative health services.

OFFICE OF  
REPRODUCTIVE HEALTH SERVICES

Lorraine Fortunati

Provide clinical and educational reproductive health services.

OFFICE OF  
Women, Infants and Children (WIC)

Karen Martz

Provide supplemental foods and nutrition education to pregnant and breastfeeding women and children up to five (5) years of age.

OFFICE OF  
ENVIRONMENTAL HEALTH

Rob Howarth

Provide public health education and regulation to ensure a safe and healthy environment.



\*In the absence of the District Director, all his direct reports will report directly to the Deputy Director. In the absence of the Deputy Director, all her direct reports will report directly to the District Director.